



On-Demand Pay: The Benefits and Potential Pitfalls.



WHY NOW?

The "Great Resignation" began in April 2021 when over 4,000,000 workers resigned from their jobs and it is estimated that even more employees will leave their current employer as the pandemic comes to an end. The battle for talent is in full swing.

Show your workers you understand the following and want to help. You're more likely to become an employer of choice.

What is On-Demand Pay?

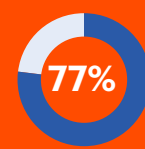
On-demand pay is a voluntary benefit that allows employees to access the wages they've already earned before their traditional payday.



of Americans are anxious about their current financial situation¹



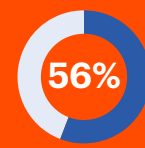
of Gen Zers are worried it will be tougher to pay their bills (e.g., utilities, medical, credit card, insurance) due to high inflation, and 38% are concerned it will make buying staples/food more challenging for them²



of hourly workers say that stress from managing their finances has negatively impacted their health³



of Gen Z and 47% of Millennials live paycheck to paycheck and worry they won't be able to cover their expenses⁴



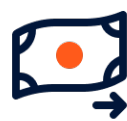
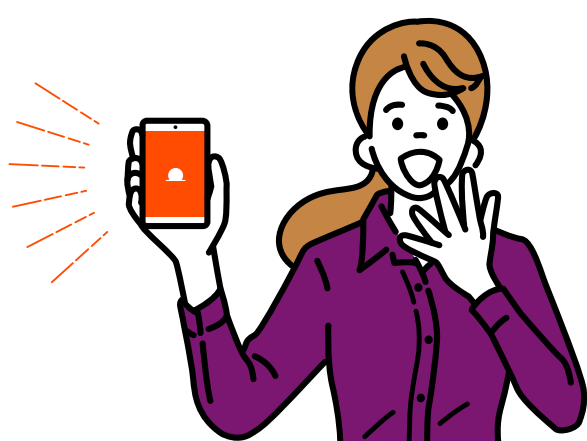
of Americans say it is stressful to manage their finances⁵



of hourly workers say they have taken out a payday loan this year (2022), including nearly one-third (31%) of those aged 18 to 34²

¹ Harris Poll Consumer Finances study commissioned by DailyPay and Funding Our Future, 2021
² Harris Poll study commissioned by DailyPay and Funding Our Future, 2022
³ Harris Poll survey commissioned by IntelyCare and DailyPay
⁴ Harris Poll survey of Gen Z, commissioned by DailyPay
⁵ Deloitte Global 2022 Gen Z and Millennial Study

Employee Benefits



PAY FLEXIBILITY

Employees care about flexibility with their pay. In fact, 64% of Healthcare workers say that if they were seeking a new job, they would be more attracted to an employer that offered an on-demand pay benefit than an employer that did not ([Harris Poll survey commissioned by IntelyCare and DailyPay](#)).



AN EMPLOYER WHO CARES

76% of workers across all age groups say it is important for their employer to offer EWA (ADP Earned Wage Access Market Research Study).

Employees who use on-demand pay often have:



Improved financial well-being



Higher engagement with their employer



A willingness to work more hours



Higher productivity

Employer Benefits

At face value, on-demand pay may seem designed only to better the lives of employees, but its positive effects are also being felt by employers, specifically:



INCREASED RETENTION

On-demand pay is proven to increase retention. 93% of employers who offer EWA say it helps them retain talent (note: for employers with 1,000+ employees) ([ADP Earned Wage Access Market Research Study](#)).

BETTER EMPLOYEE ENGAGEMENT

Access to on-demand pay can eliminate certain financial burdens that limit employee engagement. When employees have access to their earned wages, they're more likely to be motivated and engaged at work.

FASTER HIRING

On-demand pay can not only help you keep talent, but attract new talent as well. 96% of employers who offer EWA say it helps them attract talent (note: for employers with 1,000+ employees) ([ADP Earned Wage Access Market Research Study](#)).

Potential Pitfalls

When evaluating vendors on behalf of your employees, be sure to assess some potential pitfalls such as:



Will your vendor allow your employees to transfer their money to an account of their choosing or does the vendor dictate where the wages will get disbursed?



Will your employees have a single place to go for questions and problem resolution?



Will the employees' regular paycheck explain and reflect changes incurred from early wage disbursements in a simple and transparent way to avoid employee confusion?



Is your vendor's revenue model aligned with the best interests of your employees? For example, some vendors make money only when your employee spends money, which is not always conducive to saving.

To learn more about on-demand pay, see The On-Demand Education Series ([link to overview page](#)), dailypay.com/on-demand-pay which includes the following:



Understanding On-Demand Pay



The Real Costs of On-Demand Pay Solutions



Implementing and Managing On-Demand Pay Solutions



The Employee Experience: Solution, Rollout, and Support



The On-Demand Pay Scorecard. Are you getting what you signed up for?



The On-Demand Pay RFP



Fostering Diversity, Equity, and Inclusion with On-Demand Pay